

INFORMATION REPORT INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY

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COUNTRY	East Germany/Soviet Orbit	REPORT		
SUBJECT	The Council for Mutual Economic Aid (CMEA)	DATE DISTR.	7 September 1955	25X1
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SOURCE EVALUATIONS ARE DEFINITIVE APPRAISAL OF CONTENT IS TENTATIVE

1. The purpose of the Council for Mutual Economic Aid (CMEA), formed of the East Bloc States, exclusive of Red China, is the coordination of the activities of the industries and of the long-range economic planning of the individual states in the Bloc. The Council itself forms the central directing body. The following is cited as an example of its coordinating functions:

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The output of pit coal in Hungary is found to be short of requirements. In other member states the situation is similar. The Council is given the figures on minimum requirements. The Council, in turn, finds that Poland has a yearly requirement of xxxxxx tons and the USSR of xxxxxx tons. These two states need xxxxxx tons for their needs and will have a surplus of xxxxxx tons. The Council decides that the states with the surplus will deliver to the states suffering from a shortage. The deliveries are made within the framework of a trade agreement. The importing as well as the exporting countries take account of these deliveries in their economic plans. The decision of the Council is binding on the member states. It is never questioned.

2. The actual direction of the Council is in the hands of representatives of the USSR. They do the actual planning. The "concessions" made by the USSR are always in their own interest. In the circumstance cited above as an example, the USSR would have the greatest interest in seeing that Hungary's supply of pit coal is sufficient to meet its export commitments to the USSR. It is probable that, prior to the Council session, Hungary would have informed the Soviet Ministry of Trade that she would not be able to meet the demands of the Soviet Trade Delegation, since the necessary coal was not on hand to assure production in the steel industry.
3. So far as is known, the Council does not have a fixed table of organization. The following East Germans were present at a Council meeting in Moscow in late 1952: Bruno Leuschner, Heinrich Rau, and Kurt Gregor.
4. The participants of Council meetings are probably not always the same. The main requisite is the representation of pertinent government bodies, but not necessarily the presence of the same individuals.

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5. The role played by the East German Kammer fuer Aussenhandel (Chamber of Foreign Trade) in the sessions of the Council has not been ascertained.¹
6. The East German representation of the Council does not appear to have permanent headquarters. Its business is probably administered by Bruno Leuschner.

1. Comment: [redacted] the Chamber of Foreign Trade plays an advisory role in questions of import and export possibilities from and to Western Europe. The Chamber of Foreign Trade is an information center for economic matters in Western Europe and overseas. The Chamber is represented in almost all countries of Europe and South America.

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